



August 17, 2022

Washington State Department of Transportation
999 3rd Ave, Suite 2200
Seattle, WA 98104

Serial Letter No. W17068-217

Attn: Dave Becher
Project: SR 520 Montlake to Lake Washington I/C and Bridge Replacement Project
Contract: No. 009015
RE: **Response to WSDOT SL MLG0318 “GCL Protest – Concrete Delivery Strike Project Impacts”**

Dear Mr. Becher,

Graham is in receipt of WSDOT’s SL MLG0318 “GCL Protest – Concrete Delivery Strike Project Impact” sent July 25, 2022, requesting additional information regarding Graham’s compensation request.

Definitions and explanations of what is included in each impact “bucket” (and “sub-buckets”) follow:

1) Time Related Costs

a) Overheads, Equipment, Time Related Directs

This category includes time-related direct costs including project overhead staff and office/project support personnel, their vehicles, offices, office machines, equipment and other items needed to support the project on a day-to-day basis. A full list and breakdown for Graham and identified Subcontractors is included SL 207. The breakdown is calculated as a Calendar Day overhead rate and is then multiplied by the number of impact Calendar Days in the submitted Time Impact Analysis, OSUB-0309 (TIA.)

b) Escalation

This category represents the additional cost to the project (Graham and Subcontractors) due to price increases in craft labor, equipment, and materials as a result of procurement and installation of Work at a later date due to the impacts of the Strike. This quantum is based on historical data and information provided by Subcontractors and is calculated using the number of impact Calendar Days in the submitted TIA.

c) Warranty Extensions

This category is estimate based on experience for extending warranties on previous WSDOT projects. WSDOT can control this cost by limiting required warranty extensions. Warranty items include, but are not limited to, underlid lighting, fire protection, ITS and other traffic control, valve building equipment, backup systems, etc.

2) Inefficiencies

a) Strike caused inefficiencies are captured in two buckets –time related costs and production inefficiencies. The time related costs bucket includes extended Project overhead costs

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incurred as a result of the Strike-caused inefficiencies extending the duration of the Project. The production inefficiency bucket includes additional direct labor and equipment costs incurred as a result of the Strike-caused impacts extending the duration of the individual Work activities with labor and/or equipment elements.

The average inefficiency rate of 19.13% was used to calculate both time related costs as well as labor and equipment inefficiency costs associated with performing the Work. Inefficiencies are based on a calculated average inefficient rate of 19.13% applied to the labor and equipment activities with a remaining duration at the start of the Strike. Inefficiency calculations and backup from Subcontractors were used to calculate the anticipated remaining duration of the Project. Explanation and backup documentation are included in SL 207. The chart below reflects the anticipated inefficiencies by month.

	Month		
4/11/2022	1	Apr-22	50%
	2	May-22	40%
	3	Jun-22	30%
	4	Jul-22	20%
	5	Aug-22	20%
	6	Sep-22	20%
	7	Oct-22	20%
	8	Nov-22	20%
	9	Dec-22	20%
	10	Jan-23	20%
	11	Feb-23	20%
	12	Mar-23	20%
	13	Apr-23	15%
6/7/2023	14	May-23	15%
	15	Jun-23	15%
	16	Jul-23	15%
	17	Aug-23	15%
	18	Sep-23	15%
	19	Oct-23	10%
	20	Nov-23	10%
	21	Dec-23	10%
	22	Jan-24	10%
2/21/2024	23	Feb-24	10%
			19.13%

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3) Mitigation Costs

- a) Mitigation costs are actual costs expended by Graham and our Subcontractors prior to the date of SL 207 for the purpose of mitigating damages caused by the Strike. Details on each mitigation effort are provided in SL 207.

Additional Questions:

1. *“Graham and our subcontractors are experiencing downstream impacts of labor shortages due to the Concrete Strike.”*

- a. After the Strike was lifted, Graham and its Subcontractors experienced difficulties rehiring, retraining, resuming the impacted Work at the project. Grader operator and ironworker availability are two labor examples where availability supported the project schedule Pre-Strike and have impacted operations post-Strike.

The Strike caused Graham to lay off its grader operator as grader Work was not available during the Strike. Post-Strike, Graham was not able to find a competent grader operator until July 2022—impacting grade construction activities before this date.

Harris Rebar, the reinforcing supplier/installer on the project, has not been able to achieve more than 70% of their pre-Strike employment levels (company-wide) with Ironworkers that are competent and willing to install reinforcing steel. This has impacted Harris’s ability to complete work in all available work zones, which has resulted in American Bridge achieving fewer deck pours than planned and has delayed Graham’s construction activities on the land side. Graham has partially mitigated the Strike-caused ironworker shortage delays by resequencing work to accommodate the slower steel installation. Supporting correspondence from Harris is attached as Appendix A.

2. *“Graham and its Subcontractors continue to pursue schedule mitigation efforts.”*

List of potential and current mitigation efforts:

- a. Extended and weekend shifts on critical path activities; for example, Lid substructure construction. The impact of this mitigation is limited by a goal to maintain crews at 60 hours per week or less, and broader market labor shortages resulting from the Strike.
- b. Leveraging road closures by maximizing available crews and work activities, for example, completing SR 520 Montlake activities on the weekend of the Portage Bay Bridge test pile shutdown.
- c. Minimizing the effects of Trade Stacking in limited areas, for example, having some crews work long weekdays and no weekends and other crews shorter weekdays in addition to weekends.
- d. Prioritizing Critical Path activities in cases of labor shortages, for example shuffling concrete pours due to the availability of Ironworkers.

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- e. Working on Critical Path work “out-of-sequence,” for example reorganizing permanent DXEI roadway activities to expedite opening a Phase 3 work zone for Lid Pier 2 substructure progress sooner.
 - f. Additional temporary work, for example ML temporary paving west of Phase 2 Lid to advance the Phase 3 ML traffic switch.
 - g. Adding a second deck finishing machine on WABS, which is experiencing reduced efficiency due to inefficient reinforcing steel installation.
 - h. Demobilizing gantries and north trestle ahead of schedule.
 - i. Innovating removal methods for portions of the Arboretum Ramp nearest the WABS to reduce demolition scope during south trestle removal.
3. *“Graham and our Subcontractors are still incurring downstream productivity and schedule impacts...” “It appears that all craft labor is on site at this time and the current schedule is being met. Please provide information to support the GCL statement.”*
- a. It is not clear how WSDOT is quantifying or qualifying its statement that “all craft labor is onsite at this time.” Please clarify.
 - b. See item 1a and attached letter from Harris Rebar regarding the ongoing situation with the lack of Ironworkers.
 - c. Structures productivity- As the local ready-mix industry has continued to work through impacts of the strike, CalPortland has had interruptions to availability of concrete that have changed the pour dates and times that best support the project schedule. Combined with having to prioritize limited resources for reinforcing steel installation, Graham has experienced reduced productivity due to moving concrete forming and placing crews and materials between multiple work locations (Lid substructure, Lids superstructure, PLB substructure.)
 - d. Subgrade preparation and CSBC finishing productivity- Graham has experienced reduced productivity due to the inability to replace grader operators who found other employment during the Strike. Further, due to Trade Stacking with structures crews and electricians in the areas of the Lid substructure, the available work zone for grade work has been small and moving, significantly impacting productivity.
 - e. Concrete delivery impacts- for example, Pier 4 Wall panel pours were postponed because CalPortland could not accommodate early morning pours, which were necessary to ensure meeting concrete placing temperature requirements.
 - f. Other examples still being discovered and quantified
4. *“GCL’s Strike Project Cost table includes a line item labeled “Warranty.” Please provide detailed information to assist in WSDOT’s review of this item including an equipment list and dates for the work.”*
- a. Please see item 1) c) Warranty Extensions, above.



Graham looks forward to working with WSDOT toward a solution that is beneficial to the Project and is willing to provide additional information to assist WSDOT in its review of the TIA and request for compensation. If you have any questions on this matter, please do not hesitate to contact me.

Respectfully,

A handwritten signature in blue ink, appearing to read "Bryant Helvey", is written over a faint, light blue circular stamp.

Bryant Helvey
Deputy Project Manager
Graham Contracting, Ltd.

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Nucor Harris Rebar Seattle Inc
4421 192nd St E
Tacoma, WA 98446

August 11, 2022

Graham Contracting Ltd.
13555 SE 36th Street
Suite 120
Bellevue, WA, 98006

RE: SR520
Teamster Strike Impacts

Dear Bryant Helvey,

As discussed on previous phone calls with various members of your team and Nucor Harris Rebar Seattle Inc (Harris) and Central Steel Inc (Subplacer), Harris has experienced a 90+ day delay on most jobs in the greater Seattle area due to the Teamster's strike.

Per your request – attached is a letter from our Subplacer in regards to a labor shortage being a direct result of the 90+ day delay.

Harris is firmly committed to supporting this project and ensuring a successful outcome for all parties involved – however it, and it's Subplacer is facing many labor challenges due to the shortages created by the 90+ day teamster strike.

If you have any questions please don't hesitate to contact me to ensure the success of this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Weets", followed by a long horizontal flourish.

Ryan Weets
Branch Manager
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253-847-5001

Phone: 253-847-5001

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August 11, 2022

Nucor Harris Rebar Seattle Inc
4421 192nd St E
Tacoma, WA 98446

RE: SR520
Teamster Strike Impacts

Dear Ryan Weets,

As discussed on previous phone calls with various members of Nucor Harris Rebar Seattle Inc (Harris) and Graham Contracting Ltd (Graham) and Harris Rebar Central Steel Inc (Central), Central and thereby Harris has experienced several impacts via the Teamsters strike which spanned more than 90 days earlier this year, resulting in many of the construction jobs in the greater Seattle area being delayed for extended durations.

Per your request – below is more relevant information to show how the strike caused a resulting labor shortage and the impacts of such:

- Central had over 220 Ironworkers prior to the strike and after the strike and standby durations – over 70 Ironworkers left Central's employment – resultingly Central was down to roughly 150 ironworkers
- Central has had a full "open call" to the Ironworkers union since the strike ended: with very few skilled rebar ironworkers with any experience available to hire since then.
- Central has no evidence of where 70+ Ironworkers went for employment as a result of 90+ day delays, other than to assume they found other employment.
- Currently the only Ironworkers that are available at the Ironworker union hall are Structural, Ornamental or Welders – none of which are the type needed for the Work Central does.

Central has expanded its recruiting operations in the last six months and created a new role for a recruitment manager with their goal being to hire more employees in a labor shortage market through activities such as job fairs, online media and local outreach to various schools ect.

Central is firmly committed to supporting this project and ensuring a successful outcome for all parties involved – however it is facing many labor challenges due to the shortages created by the 90+ day teamster strike.

If you have any questions, please don't hesitate to contact me to ensure the success of this project.

Sincerely,

Dave Behrendt
Branch Manager
dbehrendt@harrisrebar.com
425-308-1823